

The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

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MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM: George Kolt
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SUBJECT: Warning and Forecast Report for Europe

I. Prospects for the West European Union (WEU)

A. Discussion

French sponsorship of a revitalized WEU is motivated by the threat of congressional action on US troop levels, fears of a West German drift toward neutralism, and interest in deepening West European--particularly Franco-German--defense cooperation. Other allies also see the utility of a strong WEU as a more exclusive forum for high-level discussion of security issues, and as a vehicle for pressing the US on procurement policies. Most analysts do not believe the WEU will challenge US policies within NATO or acquire an integrated military command that would undercut NATO. For now, at least, the WEU members are concentrating on the more limited objectives of heightening European awareness of the Soviet threat, encouraging greater defense spending, and fostering broader intra-European defense industrial cooperation.

The WEU, however, could pose some dangers to US interests over the longer-term. First, some West Germans are suggesting it become a forum for European discussion of arms control issues which could place greater pressures on the US to adopt new arms control positions. Second, Foreign Minister Genscher had proposed that the WEU meet in April, prior to the NAC Ministerial, suggesting that some Europeans might use these meetings to develop a European consensus on security issues prior to discussing them with the US. At the same

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time, the WEU is likely to encounter internal problems of its own, especially if other West European states actively seek membership. France, among others, views Portugal's request to join--as well as Spain's and Norway's hints of interest--as counterproductive to creating a European consensus in favor of a stronger defense.

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II. Status of Kohl's Government

A. Discussion

Compared to a year ago, analysts are far less optimistic about Chancellor Kohl's prospects for remaining in office through at least the 1987 elections. Kohl has been able to make good on his campaign pledges on the economy and security issues, but has been plagued with a number of mishaps--most prominently the Flick affair. The Chancellor has weathered the latest round of parliamentary investigations into his role in corporate payments to major political leaders in the 1970s, but the potential for further revelations exists. With the exception of the Greens, almost all political parties and leaders run the risk of being connected to the Flick scandal. Some analysts believe that further damage to his image as an honest politician could erode Kohl's support within the CDU/CSU parties and lead him to step down. Other analysts believe that Kohl will survive, as he is now taking steps to strengthen his support within party leadership circles; in any event, they believe he would be prepared to fight any move to force him out.

There was agreement that the elections in Berlin, the Saar, and North Rhine Westfalia this spring could weaken Kohl's support and very probably will speed the demise of the FDP. A poor FDP showing could also strengthen sentiments within the party to go into opposition prior to the 1987 elections, in order to build up its

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image as an independent political party. In the meantime, CSU leader Strauss appears to have the most to gain from Kohl's troubles and the demise of the FDP. Should there be a cabinet shuffle next year, CSU leader Strauss might then gain a key position within the government.

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III. Poland: Renewed Instability

A. Discussion

The killing of Father Popieluszko will probably galvanize the previously floundering opposition, radicalize the lower clergy, complicate church/state relations generally, and dampen any near-term improvement in Polish relations with the West. Jaruzelski's unprecedented step of investigating the internal security apparatus probably helps him to discredit some of his opponents within the party and appear responsive to public sentiment. However, Jaruzelski faces several dangerous dilemmas. First, he must decide how to conduct the murder investigation without further angering Moscow or stimulating a backlash within the Polish internal security services. Second, being unwilling to reestablish a dialogue between the regime and society, Jaruzelski must contain a revitalized, more militant opposition without cracking down so hard that he alienates the Church even further. Finally, Jaruzelski must proceed with his economic plans against a backdrop of growing political unrest and potential adverse Western responses to the regime's handling of political opposition.

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IV. Monitoring Items

- Berlin: The continuing of Glienicker Bridge saga points to increased Soviet-East German coordination on issues affecting Allied rights. The Eastern effort to put the onus on West Berlin for financing bridge repairs may be intended to sow discord between the Western powers and West Berlin authorities.
- Yugoslavia: The on-going trial and probable eventual sentencing of six dissidents is likely to result in more opposition activities in Yugoslavia, increased Western criticism of Yugoslav human rights practices, and Belgrade's charges of intervention into its domestic affairs--all of which will complicate Yugoslavian relations with the West.
- Romania: Ceausescu's obsession with having the Party Congress later this month serve as a paean to his rule will result in a Stalinesque show of slavishness. But it also suggests some doubts about the real extent of his support. Moreover, the economic plan to be unveiled at the Congress perpetuates failed policies and sets unrealistic goals. Its failure will fuel resentment over his misrule and may eventually result in more defiant opposition.



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